



CITY OF DURHAM | NORTH CAROLINA

Date: July 14, 2011

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Mike Barros, Director
Department of Community Development
Subject: Joint Cooperation Agreement
Durham City-County HOME Consortium

Executive Summary

For many years, the City and County of Durham have received HOME funds from the U.S. Department of Housing and Urban Development (HUD) as a "Participating Jurisdiction" which maximizes the amount of HOME funds in the community. For the period beginning July 1, 2012, a new cooperation agreement must be fully executed and submitted to HUD by August 1, 2011.

Recommendation

The Department of Community Development recommends that City Council authorize the City Manager to execute a Joint Cooperation Agreement with the County of Durham for the Durham City-County HOME Consortium.

Background

In the absence of a Consortium agreement with the County, the City of Durham would receive HOME funds as an entitlement community. Because of the County's population outside the Durham city limits, Durham County would not receive any HOME funding. Under the Participating Jurisdiction status, the population and demographics outside the City limits are included in the allocation formula, resulting in a modest increase in the total HOME funding. Currently, 5.33% of the HOME allocation is attributable to the inclusion of the County.

Given the most recent cuts in HUD entitlement programs, the 5.33% attributable the inclusion of the County represents approximately \$62,000.00. In past years, the Department of Community Development has utilized its ability to conduct HOME activities in the County primarily to rehabilitate the homes of elderly and disabled homeowners.

Issues/Analysis

Several months ago, the City was notified by HUD that a new agreement for the period beginning July 2012 had to be executed and submitted to the Greensboro Field Office by the end of September 2011. However, the City was notified during the first week of July that the due date for the executed agreement had been moved up to August 1, 2011. Without an executed agreement, the incremental increase HOME funds would be lost.

Alternatives

The City could choose not to enter in an agreement with the County and just receive HOME funds as an entitlement community. However, none of those funds could be used to assist or benefit low to moderate income households who live outside the city limits.

Financial Impacts

To receive HOME funds, entitlement communities and Participating Jurisdictions must provide a 25% local match. Durham has used housing bond program income and general funds appropriated for housing for persons with special needs to fulfill the match requirement. Because of past expenditures of local funding, the match requirement has been met for several years in advance.

SDBE Summary

Not applicable to this item.